

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
SIO2 MEDICAL PRODUCTS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-10366 (JTD)
	)	
Debtors.	)	(Jointly Administered)
	)	

**STIPULATION REGARDING SETTLEMENT TERM SHEET**

This stipulation (the “Stipulation”)<sup>2</sup> is made by and among the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), Oaktree Capital Management, L.P. and/or any of its affiliates or funds (collectively, “Oaktree”), Athos KG and/or any of its controlled subsidiaries, affiliates, or related individuals (collectively, “Athos”), and the Official Committee of Unsecured Creditors in the above-captioned chapter 11 cases (the “Committee,” each, a “Party” and together with the Debtors, Oaktree, and Athos, the “Parties”). The Parties hereby stipulate and agree as follows:

**RECITALS**

**WHEREAS**, on March 29, 2023 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware (the “Court”), which cases have been jointly consolidated for administrative purposes only (the “Chapter 11 Cases”);

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: SiO2 Medical Products, Inc. (8467); Advanced Bioscience Labware, Inc. (1229); and Advanced Bioscience Consumables, Inc. (2510). The location of the Debtors’ principal place of business and service address in these chapter 11 cases is 2250 Riley Street, Auburn, Alabama 36832.

<sup>2</sup> Capitalized terms used but not defined in this Stipulation shall have the meanings ascribed to them in the *Joint Chapter 11 Plan of Reorganization of SiO2 Medical Products, Inc., and Its Debtor Affiliates* [Docket No. 280] (as may be amended or modified from time to time and including all exhibits and supplements thereto, the “First Amended Plan”).

**WHEREAS**, on March 29, 2023, the Debtors and Oaktree entered into the the restructuring support agreement, dated as of March 29, 2023 (as it may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms, the “Restructuring Support Agreement”), attached as Exhibit A to the *Declaration of Yves Steffen, Chief Executive Officer of SiO2 Medical Products, Inc., in Support of Chapter 11 Filing and First Day Motions* [Docket No. 15] (the “Steffen Declaration”), and the Debtors filed the *Joint Chapter 11 Plan of Reorganization of SiO2 Medical Products, Inc., and Its Debtor Affiliates* [Docket No. 18] (the “Initial Plan”) and the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of SiO2 Medical Products, Inc., and Its Debtor Affiliates* [Docket No. 19] (the “Initial Disclosure Statement”);

**WHEREAS**, on March 30, 2023, the Debtors filed the *Motion of Debtors for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement, (II) Approving the Solicitation and Notice Procedures with Respect to Confirmation of the Joint Plan of Reorganization, (III) Approving the Forms of Ballots and Notices in Connections Therewith, and (V) Granting Related Relief* [Docket No. 45];

**WHEREAS**, on April 13, 2023, the United States Trustee for the District of Delaware appointed the Committee [Docket No. 118];

**WHEREAS**, on May 9, 2023, the Committee filed the *Official Committee of Unsecured Creditors’ Objection and Reservation of Rights to Disclosure Statement for Debtors’ Joint Plan of Reorganization and Related Solicitation Procedures* [Docket No. 261] (the “Committee Objection”);

**WHEREAS**, on May 14, 2023, the Debtors filed the First Amended Plan and the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of SiO2 Medical Products,*

*Inc., and Its Debtor Affiliates* [Docket No. 281] (as may be amended or modified from time to time and including all exhibits and supplements thereto, the “First Amended Disclosure Statement”);

**WHEREAS**, the Parties adjourned the originally scheduled hearing on approval of the First Amended Disclosure Statement in order to negotiate a consensual resolution to the Committee Objection and a consensual chapter 11 plan of reorganization (as among the Parties) to resolve issues related to the First Amended Plan;

**WHEREAS**, the Parties have agreed to a global settlement regarding all open and disputed plan confirmation issues between and among them, as set forth and contemplated by (a) this Stipulation and (b) the settlement term sheet, a copy of which is attached hereto as **Exhibit A** (the “Settlement Term Sheet”), which is hereby incorporated into this Stipulation;

**WHEREAS**, the Parties are negotiating amendments to the First Amended Plan, which shall reflect the terms of the Settlement Term Sheet (such amended plan of reorganization, the “Second Amended Plan”); and

**WHEREAS**, the Parties have agreed to support the confirmation of the Second Amended Plan, subject to the terms and conditions set forth herein and upon entry of an order by the Court approving this Stipulation.

**NOW, THEREFORE**, it is hereby agreed and stipulated by and between the Parties as follows:

**STIPULATION**

1. The foregoing recitals are incorporated herein.
2. The Committee Objection is hereby withdrawn without prejudice.
3. Subject to the Settlement Term Sheet, the Parties agree to support and take all actions reasonably necessary or reasonably requested by the Debtors to facilitate the approval of

the Disclosure Statement, and solicitation, acceptance, confirmation, consummation, and implementation of the Second Amended Plan.

4. Each Party, subject to the terms and conditions hereof, will support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with the acceptance, confirmation, consummation, and implementation of the Second Amended Plan or Settlement Term Sheet, as applicable.

5. The Parties shall, in good faith, (a) negotiate all definitive documentation (including the Second Amended Plan and Confirmation Order); (b) work toward timely confirmation of the Second Amended Plan and consummation of the Restructuring Transactions (as defined therein); and (c) endeavor to reach the Effective Date no later than July 30, 2023.

6. Subject to the Settlement Term Sheet, to the extent any Party holds a Claim against the Debtors entitling such Party to vote to accept or reject the Plan, such Party shall vote all such Claims to accept the Plan (upon proper solicitation).

7. Subject to the Settlement Term Sheet, no Party shall make any public statement, whether in a pleading filed with the Court, a press release, or otherwise, that is inconsistent with this Stipulation and the obligations hereunder in any respect or that disparages any other Party in any respect.

8. Notwithstanding anything to the contrary in this Stipulation, nothing in this Stipulation shall require the Committee or a Debtor, including the board of directors, board of managers, or similar governing body of a Debtor, after consulting with counsel, to take any action or to refrain from taking any action with respect to the Plan, Settlement Term Sheet, or Restructuring Transactions, as applicable, to the extent taking or failing to take such action would be inconsistent with applicable Law (as defined in the Restructuring Support Agreement) or its

fiduciary obligations under applicable Law, and any such action or inaction pursuant to this paragraph 8 shall not be deemed to constitute a breach of this Stipulation (collectively, the “Fiduciary Out Right”). If a Debtor or the Committee exercises its Fiduciary Out Right, this Stipulation shall be immediately terminated as to each Party, and each Party retains all of its respective rights as if this Stipulation was never entered into.

9. The Initial Plan Sponsors (as defined in the Restructuring Support Agreement) hereby agree that the Plan, as amended to include the terms of the Settlement Term Sheet, constitutes an acceptable Plan under the terms of the Restructuring Support Agreement.

10. The Parties are authorized to take all actions necessary to effectuate the relief granted pursuant to this Stipulation.

11. Notwithstanding anything in this Stipulation, the terms and conditions of this Stipulation and all of the agreements, obligations, undertakings and commitments made by, respectively, the Debtors and Oaktree under this Stipulation are subject in all respects to the terms and conditions of the Restructuring Support Agreement, including the Debtors’ and Oaktree’s respective rights thereunder.

12. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation, and the Parties hereby consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation.

*[Remainder of page intentionally left blank]*

**STIPULATED AND AGREED TO:**

**Debtors**

June 6, 2023

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